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Forest Management

ACTIVE MANAGEMENT FOR HEALTHIER FORESTS

Key Takeaways:

- Healthy forests provide many economic and environmental benefits to communities and the planet. If improperly managed, however, America's forests are an economic, environmental, and public safety liability.
- Forest management through controlled burns and timber development will reduce the risk communities face from wildfires and will prevent the release of hundreds of millions of metric tons of carbon dioxide into the atmosphere. An ounce of prevention is worth a pound of cure.
- Through domestic remediation efforts and international cooperation, the U.S. should be a global leader in promoting afforestation and curbing deforestation. Establishing defined and legally protected property rights for landowners is essential for economic productivity and environmental stewardship.¹

Healthy forests provide many economic and environmental benefits to communities and the planet. Wood products are ubiquitous in the global economy, and forests promote healthier ecosystems by providing food and shelter to a wide range of animals and plants. Importantly, more robust, resilient forests are a natural climate solution. Trees, plants, and greenery purify the air and absorb carbon dioxide. In fact, forests in the United States sequester about 16 percent of annual domestic carbon dioxide emissions.²

If improperly managed, however, America's forests are an economic, environmental, and public safety liability. Wildfires threaten communities' lives and livelihoods and spew exorbitant amounts of pollutants and carbon dioxide emissions into the atmosphere. In 2020, California's wildfires emitted more carbon dioxide than the entire state's fossil fuel emissions.³ Wildfires can also cancel out carbon offset projects, where companies purchase carbon dioxide credits to offset their own emissions. Decomposing trees also release carbon dioxide and methane into the atmosphere.⁴

THE IMPORTANCE OF ACTIVE FOREST MANAGEMENT

While global decarbonization will help minimize human-induced warming's impact on wildfires and wildfire seasons, a more immediate and effective solution to reduce the size and intensity of wildfires is to proactively take care of America's forests. The most pressing issue for forest managers and communities threatened by wildfires is density and overgrowth, which creates a greater fuel load for fires. The fuel load is anything from grass, shrubs and small trees to dead leaves and materials on the forest floor.⁵ When a fire occurs in a forest with a full fuel load, the fire races up the trees and rages across the canopy, making a fire much more intense and widespread and therefore much more difficult to contain.

Active forest management through prescribed or controlled burns⁶ and through timber harvesting will significantly reduce the fuel load. Yet, federal and state policies can delay or prevent the use of forest thinning, prescribed burns, and timber development. Both processes must go through a lengthy approval process and could be subject to the National Environmental Policy Act (NEPA) and the Endangered Species Act (ESA). Prescribed burns must also comply with federal, state, and local air quality standards, which restrict the days forest managers may conduct them. Of course, delaying burns increases the likelihood that a wildfire will be larger and more difficult to contain, resulting in poorer air quality and higher levels of greenhouse gas emissions.

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Even if a forest management plan secures the permits, litigious activists may block the project.⁷ Jonathan Wood, a research fellow at the Property and Environment Research Center (PERC) noted, "What you'll often find is that there are projects which



have been extremely well-vetted, which have been years in the works. There will be a 5,000-page document, which no one could conceivably ever read because it's so long and complicated, but then the project will still get put on hold for an indefinite period of time, because some special interest group filed a lawsuit.”⁸ Wood has documented several instances where litigation has blocked a forest management project for years.⁹

REDUCING DEFORESTATION AND INCREASING AFFORESTATION

In addition to active forest management, reducing deforestation and increasing afforestation domestically and globally is a pragmatic environmental and climate policy. In fact, **fully restoring understocked, productive forestland in the U.S. could increase carbon sequestration by 20 percent.**¹⁰ That is not to suggest a complete stop to logging, mining, building roads, or other economic reasons private property owners have for cutting down trees. Rather, policymakers should eliminate illegal deforestation, establish defined and legally protected property rights, and increase the availability of compensation for conservation.¹¹ Direct payments to landowners offers a solution that has proven to reduce deforestation and could be particularly helpful in developing countries. A study that examined a program to pay landowners in Uganda to conserve their respective forests found the payments curbed deforestation and found no evidence of shifting deforestation to neighboring lands.¹² Direct compensation may not be a solution everywhere, and policymakers should rightly be wary of transferring taxpayer money to governments whose interests are hostile to the United States or provide government-to-government transfers where waste, fraud and abuse is probable. Another concern is paying people to not cut down trees when they would not have done so without the payment and therefore there is no additional emissions savings. While proving the counterfactual is challenging, it is worth noting that better access to data and technology is improving the transparency and verification of these programs.

POLICY REFORMS FOR WILDFIRE PREVENTION AND HEALTHY FORESTS

Forest management will reduce the risk communities face from wildfires and will prevent the release of hundreds of millions of metric tons of carbon dioxide into the atmosphere. Welcomingly, policymakers at the federal and state level are turning their attention to prevention, leaning into the expression: *an ounce of prevention is worth a pound of cure.*

An April 2021 report by PERC research fellows Jonathan Wood and Holly Fretwell offers compelling evidence for the benefits of forest restoration and includes many practical recommendations to expedite restoration processes and encourage collaborative partnerships for healthier natural ecosystems.¹³ The Emergency Wildfire and Public Safety Act, a bipartisan bill to actively manage forests, also includes several prudent recommendations to reduce fire risk and protect America's forests.

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The recommendations below include recommendations from PERC's report and from the Emergency Wildfire and Public Safety Act.¹⁴ The recommendations include reforms that would streamline restoration projects, expedite judicial review, and expand opportunities for timber development. To that end, policymakers should:

- Clarify the language for categorical exclusion applications, which take an average of seven months to navigate. More specific guidance should cut that average application to 30 days and categorical exclusions should be issued in one year or less.
- Allow a state environmental review to satisfy all federal requirements of a federal review upon approval from a federal agency.
- Expand the acreage limit for categorical exclusions so that a prescribed burn can safely cover more ground under one restoration project.
- Allow prescribed burns to be excluded from state emissions calculations.
- Narrow the scope of who can file lawsuits, limiting preliminary injunctions and stays to 60 days, and setting a six-month statute of limitation on National Environmental Policy Act challenges.



- Limit Endangered Species Act consultation to projects with on-the-ground impacts on protected species.
- Fund and expedite the permit approval for wildfire detection equipment and the use of satellite data.
- Lift the export ban on unprocessed timber on federal lands. A portion of the revenues from timber exports could be used at the Forest Service's discretion for forest management and fire prevention.
- Permanently reauthorize the Forest Service and the Bureau of Land Management authority to be a "Good Neighbor" through longer, more flexible partnerships with states, tribes, and counties and define prescribed burns and reforestation as program objectives.
- Solve burdensome budgeting challenges of long-term forest restoration projects. As the PERC report underscores, "Under the Antideficiency Act and appropriations rules, the Forest Service cannot obligate funds in advance of appropriations or after funding has expired. This constrains its ability to participate as an equal financial partner when states, tribes, or private groups are willing to contribute funds to forest restoration."¹⁵ PERC recommends the creation of a restoration fund that would provide funding certainty and commitment toward long-term projects.

POLICY REFORMS TO REDUCE DEFORESTATION AND PROMOTE AFFORESTATION

Reducing illegal deforestation and increasing tree cover will promote healthier natural ecosystems. Improving soil health, reforestation, afforestation, and eradicating invasive species could provide greater economic opportunities, sequester more carbon dioxide, and build more natural resiliency to protect against natural disasters.¹⁶

Further, through domestic remediation efforts and international cooperation, the U.S. should be an international leader in afforestation efforts and curbing deforestation. **Establishing defined and legally protected property rights is essential for landowners, including indigenous populations, to reduce global deforestation.**¹⁷ Governments, businesses and private organizations are dedicating more resources to combating international deforestation. For example, a combined \$19 billion was pledged during the 2021 Glasgow climate summit.¹⁸ Reducing emissions from deforestation and forest degradation and enhancing forest carbon stocks (REDD+) is another international mechanism aimed at curbing deforestation and forest degradation, though with mixed results.¹⁹ While there are demonstrable benefits from such programs, it is imperative that international programs empower developing countries to prosper and attain better standards of living. It is also important to have transparent funding, established metrics, and verifiable results. Aligning positive incentives that focus on results-based outcomes with strong transparency and verification mechanisms will deliver better economic and environmental results.²⁰

Domestically, the Trillion Trees and Natural Carbon Storage Act would take important steps toward better forest management in the U.S. and around the world. Notable recommendations from the legislation include:

- Creating a matching \$10 million grant program with states, tribes, local governments, nonprofits, and other private actors to plant trees.
- Empowering the Secretary of Agriculture to work with regional and local foresters to develop priority reforestation projects.
- Increasing the Reforestation Trust Fund cap from \$30 million to \$180 million to tackle the entirety of the Forest Service's reforestation backlog.
- Creating a matching grant program to maintain and enhance forests and trees in urban areas.
- Creating an International Forest Foundation that accepts private donations to expand tree planting globally.
- Authorizing \$10 million for seed and sapling planting.
- Including carbon sequestration and forest management among the list of approved technical assistance categories for international conservation.
- Requiring the U.S. Department of Agriculture to establish objectives for increasing the net carbon stock of American forests, grasslands, wetlands, and coastal blue carbon habitats.

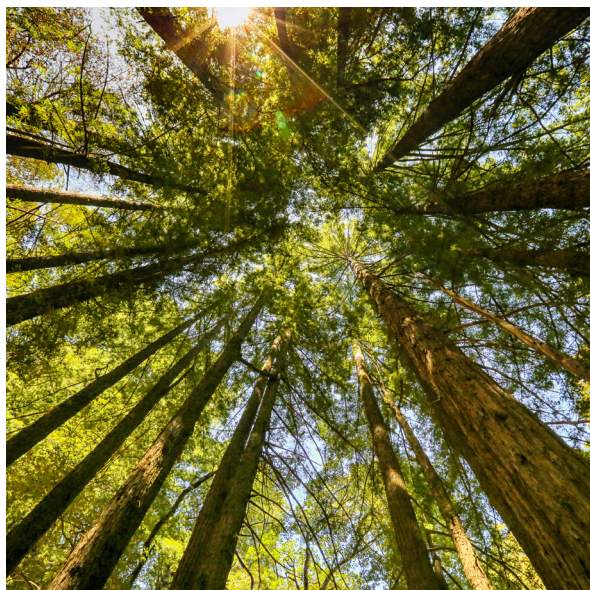
"Establishing defined and legally protected property rights is essential for landowners, including indigenous populations, to reduce global deforestation."



- Authorizing the Secretary of State to increase international forest management collaboration efforts.
- Establishing a biochar demonstration project and expanding funding for experimental forests.

In addition, policymakers should consider:

- Expanding the use of direct payments to curb deforestation. Use funds from the International Forest Foundation and other international programs to pay people and communities not to cut down trees, which has proven to be economically and environmentally effective.²¹
- Prioritizing funding for international deforestation and afforestation to private property owners, including indigenous populations, and condition funding to governments on transparent, results-oriented reporting metrics that demonstrate keeping forests intact or preventing wildfires.
- Ensuring that funding for international efforts to curb deforestation and plant trees is transparent and results oriented. Funding should be contingent upon annual reporting requirements.
- Integrating carbon sequestration into reclamation projects. An operator of a mine or oil and gas well on federal land must implement a full ecosystem restoration project that is self-sustaining and diverse, includes native plants, controls for erosion, and supports wildlife habitat. Consistent with these objectives, reclamation projects should also include opportunities to maximize carbon sequestration.
- Integrating afforestation into abandoned mine site clean-up on Forest Service and Bureau of Land Management property. There are hundreds of thousands of abandoned mine sites on federal lands, and policymakers should turn these environmental liabilities into opportunities. Congress should reform the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) to reduce liability for volunteers, businesses, and communities that want to clean up abandoned sites.²² Stronger incentives for abandoned mine cleanup will turn health, safety, and environmental dangers into productive, healthier land.



ADDRESSING INVASIVE SPECIES

Invasive species are an economic and environmental menace for private property owners, communities, and public lands and waters. The U.S. Department of Agriculture (USDA) explains that the widespread “economic and social impacts of invasive species include both direct effects of a species on property values, agricultural productivity, public utility operations, native fisheries, tourism, and outdoor recreation, as well as costs associated with invasive species control efforts. A 2021 study estimated that invasive species have cost North America \$2 billion per year in the early 1960s to over \$26 billion per year since 2010.”²³ Rising global temperatures make invasive species worse, and invasive species can also increase the threat of extreme weather. A problematic example of an invasive species worsening the size and intensity of wildfires is the spread of cheatgrass and buffelgrass.²⁴ Invasive species also deteriorate the health of forestland and grassland, which increases erosion and reduces opportunities to sequester more carbon dioxide.

Private property owners have a direct incentive to eradicate invasive species, but those incentives are weaker if eradication requires active planning, coordination, and action from multiple landowners. Federal, state, and local government policies and regulations can further complicate coordination.²⁵ The Infrastructure Investment and Jobs Act allocates \$100 million each to the Department of Interior and Department of Agriculture to address invasive species.²⁶ Prevention and early detection are the most cost-effective ways to deal with invasive species.

Furthermore, federal and state governments should consider expanding incentive programs to reduce invasive species.



For instance, the nutria is a semi-aquatic rodent that adversely affects wetlands and vegetation in Louisiana. Through a federal-state program, participants can trap and hunt nutria and will receive \$6 per nutria delivered to a collection center.²⁷ Additionally, nonprofits are stepping up in a big way. Friends of Tonto National Forest in Arizona, for example, is removing invasive grasses from the national forest after a heavy monsoon season resulted in aggressive growth.²⁸ Through collaborative relationships with landowners, nonprofits, and state and local governments, the federal government should continue to prioritize invasive species prevention, early detection systems, and eradication.

PROMOTING TIMBER DEVELOPMENT AND TRADE

As the country's third largest agricultural export, forest products are a critical component of the U.S. economy, and wood products can contribute to climate mitigation.²⁹ For instance, timber exports could expand opportunities for mass timber. Mass timber construction uses lamination, nails, or glue and is "built using a category of engineered wood products typically made of large, solid wood panels, columns, or beams often manufactured off-site for load-bearing wall, floor, and roof construction."³⁰ Mass timber construction could be built faster and greener and replace more emissions intensive materials.

One way to expand the timber trade would be to remove tariffs and trade barriers, which have adversely impacted the American timber industry (and benefited the Russian timber industry), homebuilders and consumers.³¹ For example, the U.S. Commerce Department doubled the tariffs on Canadian softwood lumber to 17.9 percent in November 2021. In a letter to President Biden, the National Association of Home Builders said, "that tariffs on Canadian lumber shipments into the United States fueled lumber price volatility that it said has added more than \$18,600 to the price of a new home since last August."³²

Retaliatory tariffs have exacerbated the problem and cost Americans nearly \$80 billion in higher taxes even as they regressively harmed low-income families.³³ Eliminating costly tariffs would help with inflation, rising housing costs and supply chain issues.

Specifically, the Biden administration should:

- Eliminate tariffs on Canadian soft lumber.³⁴ The Commerce Department wisely lowered the tariff rate on Canadian soft lumber from 17.9 percent to 11.64 percent (in effect August 2022). The administration should eliminate these tariffs entirely.
- Remove Section 301 tariffs in order to permanently exclude U.S. forest products from Chinese tariffs.³⁵ While the Phase One trade deal increased exports from the U.S. to China, the actual amount shipped was less than committed.³⁶



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